
Accounting & Finance for Managers

SYLLABUS

UNIT 1 INTRODUCTION TO FINANCIAL ACCOUNTING

- * Introduction to Accounting
 - * Meaning
 - * Evolution of Accounting
 - * Importance of Accounting
 - * Users of financial statements
- * Financial, Cost and Management Accounting
- * Finance Function and Accounting
- * Accounting and Other Disciplines
- * Accounting as a Career and Profession
- * Place of Accounting Officers in the Organization
- * Auditing and Internal Control
- * Forms of Organizations and Effect on Accounting.

UNIT 2 ACCOUNTING PRINCIPLES

- * Accounting Concepts and Convention
- * Accounting Policies
- * Generally Accepted Accounting Principles (GAAP)
- * International Financial Reporting Standards (IFRS)
- * Indian Accounting standards (Ind AS)
- * India's Roadmap to Convergence with IFRS

UNIT 3 PRESENTATION OF FINANCIAL STATEMENTS : BALANCE SHEET

- * Conceptual Basis of a Balance Sheet
- * Capital and Revenue Expenditure and Receipts
- * Classification of Items on a Balance Sheet
 - * Assets - Fixed Assets, Investments, Current Assets, Fictitious Assets, Contingent Assets
- * Liabilities - Owner's Fund, Long Term Liabilities, Current Liabilities and Provisions, Contingent Liabilities
- * Format of Balance Sheet
- * Balance Sheet Equation
- * Preparing Balance Sheet
- * Solved Illustrations

UNIT 4 THE INCOME STATEMENTS

- * Measurement of Profit
- * Format of Profit and Loss Account
- * Profit and Loss Account of a Manufacturing Concern
- * Appropriation of Profit
- * Advantage of Profit and Loss Account
- * Solved Illustration

UNIT 5 MECHANICS OF ACCOUNTING

- * Classification of Accounts
- * Double Entry System
- * Overview of Accounting Cycle
- * Preparing Journals
- * Subsidiary Books
 - * Purchase Day Book
 - * Sales Day Book
 - * Cash Book
 - * Petty Cash Book
 - * Journal Proper
- * Ledger
- * Preparation of Trial Balance
- * Accounting Errors and their Rectification
- * Bank Reconciliation Statement (BRS)
- * Computerized Accounting
- * Solved Illustration

UNIT 6 FIXED ASSETS AND DEPRECIATION ACCOUNTING

- * Cost of Fixed Assets
- * Depreciation
- * Method of Computing Depreciation
 - * Fixed Installment Method or Straight Line Method (SLM)
 - * Diminishing/Reducing Balance Method or Written Down Value Method (RBM)
- * Accounting Treatments for Transactions
 - * Recording Depreciation in Asset Account
 - * Recording Depreciation in Provision for Depreciation Account
 - * Recording Sale of Asset
 - * Change in the Method of Depreciation
- * Impairment of Assets

- * Solved Illustration

UNIT 7 COMPANY ACCOUNTS : ACCOUNTING FOR SHARES AND DEBENTURES

- * Shares and Share Capital
- * Issue of shares
- * Share Issue: Payments in installment
- * Buyback of shares
- * Debentures and bonds
- * Solved Illustration

UNIT 8 COMPANY ACCOUNTS : FINANCIAL STATEMENTS

- * Income statement/ Profit and Loss Account
- * Balance sheet
- * Company Annual Report

UNIT 9 CASH FLOW STATEMENT

- * Cash and cash equivalents
- * How Cash Flow Statement looks like?
- * Cash Flow Activities
 - * Operating Activities
 - * Investing Activities
 - * Financing Activities
- * Some Special Items
 - * Interest and Dividends
- * Non-cash Transactions
- * Free cash flow
- * Fund flow statement
- * Analysis of Cash Flow Statement
 - * Cash Realization Ratios:
 - * Coverage Ratio
 - * Sources and usage percentage
- * Preparation of Cash Flow Statement
- * Solved Illustration

UNIT 10 FINANCIAL STATEMENT ANALYSIS

- * Techniques for financial statement analysis
- * Horizontal Analysis: Comparative and Trend Statements
- * Vertical Analysis: Common Size

- * Liquidity ratios: Current and Quick Ratio
- * Solvency ratios: D/E, Interest Coverage
- * Profitability ratios: GP, NP, EBIT, EBDITA, EPS
- * Return Ratios: ROI, ROE
- * Turnover ratios
- * Analysis of Stock and Debtors
- * Working Capital Management
- * Stock prices and financial data: P/E
- * Solved Illustration

UNIT 11 COST ACCOUNTING : CONCEPTS AND METHODS

- * Cost Centre and Cost Unit
- * Elements of Costs
- * Classification of Overheads
- * Classification of Costs
- * Methods of Costing
 - * Specific Order Costing - Job Costing, Batch Costing, Contract Costing
 - * Continuous Operation Costing - Process Costing, Operating Costing
- * Cost Sheet
- * Solved Illustration

UNIT 12 MARGINAL COSTING AND CVP ANALYSIS

- * Absorption costing and Marginal costing
- * Applications of Marginal Costing
- * Segregation of Semi-Variable costs
- * Marginal Cost Statement
- * Break Even Analysis
- * Solved Illustration

UNIT 13 STANDARD COSTING AND VARIANCE ANALYSIS

- * Variance Analysis
- * Cost Variances
 - * Direct Material Variances
 - * Direct Material Labour Variances
 - * Overhead Variances - Variable Overhead Cost Variances, Fixed Overhead Cost Variances
- * Sales Variances
- * Solved Illustration

UNIT 14 BUDGETARY CONTROL

- * Budgetary Control
- * Types of Budgets
- * Preparation of Budgets
 - * Sales Budget
 - * Production budget
 - * Material Purchase Budget
 - * Cash Budget
 - * Other functional budget
 - * Master Budget
 - * Fixed and Flexible budgets
- * Zero Based Budgeting
- * Solved illustration

UNIT 15 INTRODUCTION TO FINANCIAL MANAGEMENT

- * Finance and other discipline
- * Nature and scope of financial management
- * Functions of Financial Management
- * Role of Finance Manager
- * Objectives of the firm

UNIT 16 FINANCIAL MARKETS AND SOURCES OF FINANCE

- * Financial Markets
- * Money Market Instruments
- * Capital Market
- * Sources of Finance
 - * Long Term Sources
 - * Short Term Sources
 - * International Sources

UNIT 17 COST OF CAPITAL AND CAPITAL STRUCTURE

- * Cost of capital
 - * Cost of Debt
 - * Cost of Preference shares
 - * Cost of Equity Capital
- * Weighted Average Cost of Capital (WACC)

- * Capital Structure
 - * Net Income Approach (NI)
 - * Net Operating Income (NOI)
 - * Modigliani – Miller Model (MM)
 - * Traditional Approach
- * Solved Illustrations

UNIT 18 LEVERAGE ANALYSIS

- * Operating Leverage
- * Financial Leverage
- * Combined Leverage

UNIT 19 CAPITAL BUDGETING

- * Time Value of Money
- * Investment Appraisal techniques
 - * Pay Back Period
 - * Accounting Rate of Return (ARR)
 - * Net Present Value (NPV)
 - * Internal Rate of Return
 - * Profitability Index
- * Solved Illustrations

UNIT 20 WORKING CAPITAL MANAGEMENT

- * Operating Cycle
- * Determinants of Working Capital
- * Types of Working Capital
- * Importance of Working Capital
- * Components of Working Capital
- * Measuring Working Capital Requirement